

GEOFFREY S. BERMAN
United States Attorney for the
Southern District of New York
Attorney for Plaintiff
By: ZACHARY BANNON
Assistant United States Attorney
86 Chambers Street
New York, New York 10007
Telephone: (212) 637-2728
Fax: (212) 637-2717
Email: Zachary.Bannon@usdoj.gov

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- X
UNITED STATES OF AMERICA, :
: :
Plaintiff, : :
: COMPLAINT
v. : :
: 19 Civ. 10845 _____
STEVEN VICTOR, :
: :
Defendant. : ----- X

Plaintiff the United States of America (the “United States”), by and through its attorney, Geoffrey S. Berman, United States Attorney for the Southern District of New York, alleges upon information and belief as follows:

INTRODUCTION

1. This is a civil action brought by the United States, on behalf of its agency the Internal Revenue Service (“IRS”), to reduce to judgment federal tax liabilities of defendant Steven Victor (“Defendant”) for unpaid taxes, penalties, interest, and fees provided by law.

2. This action has been authorized and requested by a delegate of the Secretary of the Treasury, and is brought at the direction of the Attorney General of the United States pursuant to the provisions of 26 U.S.C. §§ 7401 and 7403(a), as amended.

JURISDICTION AND VENUE

3. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1340 and 1345 and 26 U.S.C. § 7402(a).

4. Venue is proper in the Southern District of New York pursuant to 28 U.S.C. §§ 1391(b) and 1396, because Defendant resides within this District and because the tax liabilities giving rise to this action accrued in this District.

THE PARTIES

5. Plaintiff is the United States of America.

6. Defendant is a natural person who, upon information and belief, resides at 845 United Nations Plaza, Apt. 62C, New York, New York 10017.

CLAIM FOR RELIEF

Collecting Unpaid Tax Liability - 26 U.S.C. § 7401

7. The allegations in paragraphs 1 through 6 are repeated and realleged as though set forth fully in this paragraph.

8. As of November 18, 2019, Defendant was indebted to the United States for unpaid individual federal income taxes for tax years (“TY”) 2006, 2008, 2009, 2010, 2011, 2012, 2013, and 2014, in the total amount, including penalties, interest, and fees, of \$1,732,479.71. This amount is comprised of the following:

Tax Period	Assessment Date	Tax Assessed	Interest, Penalties, and Fees	Amount Collected	Unpaid Balance	Notice of Federal Tax Lien Record Date
2006	11/30/2009	\$99,017.00	\$139,111.80	\$7,930.24	\$230,198.56	02/08/2010
2008	06/24/2019	\$237,783.00	\$256,466.80	\$0.00	\$494,249.80	08/23/2019
2009	07/02/2018	\$165,996.00	\$169,538.64	\$0.00	\$335,534.64	08/09/2018
2010	07/02/2018	\$164,607.00	\$161,215.38	\$0.00	\$325,822.38	08/09/2018
2011	07/02/2018	\$84,391.00	\$77,652.25	\$0.00	\$162,043.25	08/09/2018
2012	03/09/2015	\$26,731.00	\$7,877.51	\$0.00	\$34,608.51	05/15/2015
2013	03/09/2015	\$43,819.00	\$35,694.89	\$0.00	\$79,513.89	05/15/2015
2014	11/23/2015	\$47,980.00	\$22,528.68	\$0.00	\$70,508.68	02/12/2016
Total:		\$870,324.00	\$870,085.95	\$7,930.24	\$1,732,479.71	

9. In addition, as of November 18, 2019, Defendant was indebted to the United States for unpaid trust fund recovery penalties for the quarterly tax periods ending in March 2013, June 2013, September 2013, December 2013, December 2014, and December 2015, in the total amount, including interest and fees, of \$33,682.13. This amount is comprised of the following:

Tax Period	Assessment Date	Penalty Assessed	Interest and Fees	Amount Collected	Unpaid Balance	Notice of Federal Tax Lien Record Date
03/2013	03/05/2018	\$878.06	\$169.09	\$0.00	\$1,047.15	04/19/2018
06/2013	03/05/2018	\$4,066.94	\$381.14	\$0.00	\$4,448.08	04/19/2018
09/2013	03/05/2018	\$8,878.08	\$832.02	\$0.00	\$9,710.10	04/19/2018
12/2013	03/05/2018	\$8,866.48	\$830.95	\$0.00	\$9,697.43	04/19/2018
12/2014	03/05/2018	\$6,900.01	\$573.33	\$782.40	\$6,690.94	04/19/2018
12/2015	03/05/2018	\$1,909.48	\$178.95	\$0.00	\$2,088.43	04/19/2018
Total:		\$31,499.05	\$2,965.48	\$782.40	\$33,682.13	

10. The unpaid balances in the above tables reflect unpaid assessed taxes, penalties, interest, and fees, less any amount collected, as of November 18, 2019. In total, as of November 18, 2019, Defendant was indebted to the United States for unpaid tax liabilities of \$1,766,161.84. Interest, penalties, and fees continue to accrue on the outstanding obligations according to law.

11. Because Defendant did not file an individual income tax return (IRS Form 1040) for TY 2006, IRS prepared a substitute for return concerning his liabilities for this year on April 20, 2009. On November 30, 2009, IRS assessed that Defendant owed \$105,314.00 in taxes, \$23,695.65 in penalties for filing a tax return after the due date, \$21,782.30 in interest for late payment, and \$16,850.24 in penalties for late payment.¹ On March 15, 2018, Defendant filed an amended TY 2006 return over ten years late which resulted in IRS reducing his assessed taxes by \$6,297.00 and reducing his penalty for late filing by \$1,416.83 on September 6, 2018. On November 6, 2019, IRS collected \$7,930.24 pursuant to a nominee levy against the bank account of ReGen Medical Management LLC, a company owned by Defendant, which it applied towards his liability for this tax year. A total of \$70,296.44 in further interest pursuant to 26 U.S.C. § 6601 and an additional \$7,904.00 in penalties have accrued on the debt. Accordingly, as of November 18, 2019, Defendant's outstanding tax liability for TY 2006 was \$230,198.56, which consists of \$91,086.76 in taxes, \$47,033.06 in penalties, and \$92,076.74 in interest.

12. Defendant filed his TY 2008 individual income tax return nearly ten years late on April 12, 2019. On June 24, 2019, IRS assessed that Defendant owed \$237,783.00 in taxes, \$53,501.17 in penalties for filing his return after the due date, \$59,445.75 in penalties for late payment of taxes, and \$133,508.48 in interest for late payment. On August 26, 2019, IRS assessed Defendant an additional \$80.00 for fees and other expenses it had incurred during its collection activities. A total of \$9,931.40 in further interest has accrued on this debt pursuant to 26 U.S.C. § 6601. Accordingly, as of November 18, 2019, Defendant's outstanding tax liability for TY 2008 was \$494,249.80, which consists of \$237,784.00 in taxes, \$112,946.92 in penalties, \$143,439.88 in interest, and \$80.00 in fees.

¹ IRS also assessed Defendant \$4,983.64 in penalties for his failure to prepay his taxes, but reversed this assessment on the same day.

13. Defendant filed his TY 2009 individual income tax return several years late on March 15, 2018. On July 2, 2018, IRS assessed that Defendant owed \$165,996.00 in taxes, \$37,349.10 in penalties for filing his return after the due date, \$41,499.00 in penalties for late payment of taxes, and \$66,679.74 in interest for late payment. On August 27, 2019, IRS assessed Defendant an additional \$80.00 for fees and other expenses it had incurred during its collection activities. On October 7, 2019, IRS assessed Defendant an additional \$22,006.00 in interest for late payment. A total of \$1,924.80 in further interest has accrued on this debt pursuant to 26 U.S.C. § 6601. Accordingly, as of November 18, 2019, Defendant's outstanding tax liability for TY 2009 was \$335,534.64, which consists of \$165,996.00 in taxes, \$78,848.10 in penalties, \$90,610.54 in interest, and \$80.00 in fees.

14. Defendant filed his TY 2010 individual income tax return several years late on March 15, 2018. On July 2, 2018, IRS assessed that Defendant owed \$164,607.00 in taxes, \$3,530.15 in penalties for his failure to prepay his taxes, \$37,036.57 in penalties for filing his tax returns after the due date, \$41,151.75 in penalties for late payment of taxes, and \$56,258.21 in interest for late payment. On October 7, 2019, IRS assessed Defendant an additional \$21,369.62 in interest for late payment. A total of \$1,869.08 in further interest has accrued on this debt pursuant to 26 U.S.C. § 6601. Accordingly, as of November 18, 2019, Defendant's outstanding tax liability for TY 2010 was \$325,822.38, which consists of \$164,607.00 in taxes, \$78,188.32 in penalties, and \$79,496.91 in interest.

15. Defendant filed his TY 2011 individual income tax return several years late on March 15, 2018. On July 2, 2018, IRS assessed that Defendant owed \$84,391.00 in taxes, \$1,670.76 in penalties for his failure to prepay his taxes, \$18,987.97 in penalties for filing his return after the due date, \$21,097.75 in penalties for late payment of taxes, and \$24,338.33 in

interest for late payment. IRS assessed Defendant an additional \$10,627.88 in interest for late payment on October 7, 2019. A total of \$929.56 in further interest has accrued on this debt pursuant to 26 U.S.C. § 6601. Accordingly, as of November 18, 2019, Defendant's outstanding tax liability for TY 2011 was \$162,043.25, which consists of \$84,391.00 in taxes, \$41,756.48 in penalties, and \$35,895.77 in interest.

16. On April 15, 2013, in connection with his request for an extension of time to file his individual income tax return for TY 2012, Defendant filed an IRS Form W-2 or Form 1099 indicating that \$64,406 in taxes had been withheld from his paychecks for that year. On the same date, IRS credited his account in the amount of \$1,292.00 pursuant to the Making Work Pay Credit enacted by the American Recovery and Reinvestment Act of 2009. Defendant filed his TY 2012 tax return about two years later on February 16, 2015. On March 9, 2015, IRS assessed that Defendant owed \$92,429.00 in taxes, \$3,074.06 in penalties for late payment of taxes, and \$1,919.21 in interest for late payment.² On June 1, 2015, IRS assessed Defendant an additional \$80.00 in fees and other expenses it incurred during its collection activities. On March 5, 2018, IRS removed Defendant's penalty for late payment of taxes. A total of \$5,878.30 in further interest has accrued on this debt pursuant to 26 U.S.C. § 6601. Accordingly, as of November 18, 2019, Defendant's outstanding tax liability for TY 2012 was \$34,608.51, which consists of \$26,731.00 in taxes, \$7,797.51 in interest, and \$80.00 in fees.

17. Defendant filed his TY 2013 individual income tax return late on February 16, 2015. On March 9, 2015, IRS assessed that Defendant owed \$43,819.00 in taxes, \$787.00 in penalties for failure to prepay his taxes, \$9,859.27 in penalties for filing his return after the due date, \$2,410.04 in penalties for late payment of taxes, and \$1,466.73 in interest for late payment.

² The IRS also assessed Defendant with \$6,014.47 in penalties for filing his return after the due date, but reversed this assessment on the same day.

A total of \$12,627.15 in further interest pursuant to 26 U.S.C. § 6601 and \$8,544.70 in penalties have accrued on this debt. Accordingly, as of November 18, 2019, Defendant's outstanding tax liability for TY 2013 was \$79,513.89, which consists of \$43,819.00 in taxes, \$21,501.01 in penalties, and \$14,093.88 in interest.

18. Defendant timely filed his TY 2014 individual income tax return on October 15, 2015, pursuant to an extension of time. On November 23, 2015, IRS assessed that Defendant owed \$47,980.00 in taxes, \$861.00 in penalties for his failure to prepay his taxes, \$1,919.20 in penalties for late payment of taxes, and \$883.47 in interest for late payment. On February 29, 2016, IRS assessed Defendant an additional \$80.00 for fees and other expenses it incurred during its collection activities. A total of \$10,028.66 in further interest pursuant to 26 U.S.C. § 6601 and \$8,756.35 in penalties have accrued on this debt. Accordingly, as of November 18, 2019, Defendant's outstanding tax liability for TY 2014 was \$70,508.68, which consists of \$47,980.00 in taxes, \$11,536.55 in penalties, \$10,912.13 in interest, and \$80.00 in fees.

19. On March 5, 2018, IRS assessed Defendant a trust fund recovery penalty of \$878.06 pursuant to 26 U.S.C. § 6672, for the quarterly tax period ending March 31, 2013, in connection with ReGen Medical PC, a company founded and owned by Defendant. On May 7, 2018, IRS assessed Defendant \$80.00 for fees and other expenses it incurred during its collection activities. In addition, a total of \$89.09 in interest has accrued on this debt pursuant to 26 U.S.C. § 6601. Accordingly, as of November 18, 2019, Defendant's outstanding trust fund recovery penalty liability for the quarterly tax period ending March 31, 2013, was \$1,047.15, which consists of \$878.06 in penalties, \$89.09 in interest, and \$80.00 in fees.

20. On March 5, 2018, IRS assessed Defendant a trust fund recovery penalty of \$4,066.94 pursuant to 26 U.S.C. § 6672 for the quarterly tax period ending June 30, 2013, in

connection with ReGen Medical PC. In addition, a total of \$381.14 in interest has accrued on this debt pursuant to 26 U.S.C. § 6601. Accordingly, as of November 18, 2019, Defendant's outstanding trust fund recovery penalty liability for the quarterly tax period ending June 30, 2013, was \$4,448.08, which consists of \$4,066.94 in penalties and \$381.14 in interest.

21. On March 5, 2018, IRS assessed Defendant a trust fund recovery penalty of \$8,878.08 pursuant to 26 U.S.C. § 6672 for the quarterly tax period ending September 30, 2013, in connection with ReGen Medical PC. In addition, a total of \$832.02 in interest has accrued on this debt pursuant to 26 U.S.C. § 6601. Accordingly, as of November 18, 2019, Defendant's outstanding trust fund recovery penalty liability for the quarterly tax period ending September 30, 2013, was \$9,710.10, which consists of \$8,878.08 in penalties and \$832.02 in interest.

22. On March 5, 2018, IRS assessed Defendant a trust fund recovery penalty of \$8,866.48 pursuant to 26 U.S.C. § 6672 for the quarterly tax period ending December 31, 2013, in connection with ReGen Medical PC. In addition, a total of \$830.95 in interest has accrued on this debt pursuant to 26 U.S.C. § 6601. Accordingly, as of November 18, 2019, Defendant's outstanding trust fund recovery penalty liability for the quarterly tax period ending December 31, 2013, was \$9,697.43, which consists of \$8,866.48 in penalties and \$830.95 in interest.

23. On March 5, 2018, IRS assessed Defendant a trust fund recovery penalty of \$6,900.01 pursuant to 26 U.S.C. § 6672 for the quarterly tax period ending December 31, 2014, in connection with ReGen Medical PC. On March 14, 2018, IRS reduced the amount of the outstanding by \$782.40 due to payments it received from ReGen Medical PC. In addition, a total of \$573.33 in interest has accrued on this debt pursuant to 26 U.S.C. § 6601. Accordingly, as of November 18, 2019, Defendant's outstanding trust fund recovery penalty liability for the

quarterly tax period ending December 31, 2014, was \$6,690.94, which consists of \$6,117.61 in penalties and \$573.33 in interest.

24. On March 5, 2018, IRS assessed Defendant a trust fund recovery penalty of \$1,909.48 pursuant to 26 U.S.C. § 6672 for the quarterly tax period ending December 31, 2015, in connection with ReGen Medical PC. In addition, a total of \$178.95 in interest has accrued on this debt pursuant to 26 U.S.C. § 6601. Accordingly, as of November 18, 2019, Defendant's outstanding trust fund recovery penalty liability for the quarterly tax period ending December 31, 2015, was \$2,088.43, which consists of \$1,909.48 in penalties and \$178.95 in interest.

25. IRS made the earliest assessment relevant to this complaint on November 30, 2009. The collection period for each assessed amount is limited to the statutory ten-year period under 26 U.S.C. § 6502 from the date of the assessment, or November 30, 2019, at the earliest.

26. By reason of the foregoing, and pursuant to 26 U.S.C. §§ 6321 and 6322, federal tax liens in favor of the United States arose as of the dates of the assessments and attached to all property and rights to property of Defendant.

27. On February 8, 2010, IRS filed a Notice of Federal Tax Lien in New York County, New York, against Defendant for TY 2006 in the amount of \$159,928.36, as required by 26 U.S.C. § 6323(f)(1)(A), (f)(2) and N.Y. Lien Law § 240(1).

28. On August 23, 2019, IRS filed a Notice of Federal Tax Lien in New York County, New York, against Defendant for TY 2008 in the amount of \$484,238.40, as required by 26 U.S.C. § 6323(f)(1)(A), (f)(2) and N.Y. Lien Law § 240(1).

29. On August 9, 2018, IRS filed a Notice of Federal Tax Lien in New York County, New York, against Defendant for TY 2009 in the amount of \$311,523.84, as required by 26 U.S.C. § 6323(f)(1)(A), (f)(2) and N.Y. Lien Law § 240(1).

30. On August 9, 2018, IRS filed a Notice of Federal Tax Lien in New York County, New York, against Defendant for TY 2010 in the amount of \$302,583.68, as required by 26 U.S.C. § 6323(f)(1)(A), (f)(2) and N.Y. Lien Law § 240(1).

31. On August 9, 2018, IRS filed a Notice of Federal Tax Lien in New York County, New York, against Defendant for TY 2011 in the amount of \$150,485.81, as required by 26 U.S.C. § 6323(f)(1)(A), (f)(2) and N.Y. Lien Law § 240(1).

32. On May 5, 2015, IRS filed a Notice of Federal Tax Lien in New York County, New York, against Defendant for TY 2012 in the amount of \$37,738.74, as required by 26 U.S.C. § 6323(f)(1)(A), (f)(2) and N.Y. Lien Law § 240(1).

33. On May 5, 2015, IRS filed a Notice of Federal Tax Lien in New York County, New York, against Defendant for TY 2013 in the amount of \$58,342.04, as required by 26 U.S.C. § 6323(f)(1)(A), (f)(2) and N.Y. Lien Law § 240(1).

34. On February 12, 2016, IRS filed a Notice of Federal Tax Lien in New York County, New York, against Defendant for TY 2014 in the amount of \$70,270.42, as required by 26 U.S.C. § 6323(f)(1)(A), (f)(2) and N.Y. Lien Law § 240(1).

35. On April 19, 2018, IRS filed a Notice of Federal Tax Lien in New York County, New York, against Defendant for the quarterly tax period ending March 31, 2013, in the amount of \$878.06, as required by 26 U.S.C. § 6323(f)(1)(A), (f)(2) and N.Y. Lien Law § 240(1).

36. On April 19, 2018, IRS filed a Notice of Federal Tax Lien in New York County, New York, against Defendant for the quarterly tax period ending June 30, 2013, in the amount of \$4,066.94, as required by 26 U.S.C. § 6323(f)(1)(A), (f)(2) and N.Y. Lien Law § 240(1).

37. On April 19, 2018, IRS filed a Notice of Federal Tax Lien in New York County, New York, against Defendant for the quarterly tax period ending September 30, 2013, in the

amount of \$8,878.08, as required by 26 U.S.C. § 6323(f)(1)(A), (f)(2) and N.Y. Lien Law § 240(1).

38. On April 19, 2018, IRS filed a Notice of Federal Tax Lien in New York County, New York, against Defendant for the quarterly tax period ending December 31, 2013, in the amount of \$8,866.48, as required by 26 U.S.C. § 6323(f)(1)(A), (f)(2) and N.Y. Lien Law § 240(1).

39. On April 19, 2018, IRS filed a Notice of Federal Tax Lien in New York County, New York, against Defendant for the quarterly tax period ending December 31, 2014, in the amount of \$6,900.01, as required by 26 U.S.C. § 6323(f)(1)(A), (f)(2) and N.Y. Lien Law § 240(1).

40. On April 19, 2018, IRS filed a Notice of Federal Tax Lien in New York County, New York, against Defendant for the quarterly tax period ending December 31, 2015, in the amount of \$1,909.48, as required by 26 U.S.C. § 6323(f)(1)(A), (f)(2) and N.Y. Lien Law § 240(1).

41. Therefore, the United States is entitled to reduce to judgment the aforementioned unpaid federal tax liabilities pursuant to 26 U.S.C. §§ 7401 and 7403(a).

WHEREFORE, the plaintiff, the United States of America, demands judgment:

- a) Awarding the United States the amount of Defendant's unpaid federal tax liabilities, including his individual income tax liabilities for tax years 2006, 2008, 2009, 2010, 2011, 2012, 2013, and 2014, and his trust fund recovery penalties for the quarterly tax periods ending in March 2013, June 2013, September 2013, December 2013, December 2014 and December 2015, which, as of November 18, 2019, totaled \$1,766,161.84 (including taxes, interest, penalties, and fees), plus

interest, penalties, and fees accruing thereon from November 18, 2019, according to law, less any payments made;

- b) Awarding the United States its reasonable attorneys' fees pursuant to N.Y. Debtor and Creditor Law § 276-a, the costs and disbursements it incurs in this action, and such further relief against Defendant as the Court may deem just and proper.

Dated: New York, New York
November 22, 2019

GEOFFREY S. BERMAN
United States Attorney for the
Southern District of New York
Attorney for the United States of America

By: /s/ Zachary Bannon
ZACHARY BANNON
Assistant United States Attorney
86 Chambers Street
New York, New York 10007
Telephone: (212) 637-2728
Facsimile: (212) 637-2717
Email: Zachary.Bannon@usdoj.gov